

STATE OF INDIANA)
) SS:
COUNTY OF HOWARD)

IN THE HOWARD SUPERIOR COURT II

CAUSE NO. 34D02-0003-CP-00169

STATE OF INDIANA,

Plaintiff,

v.

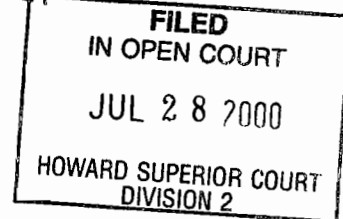
FRANKLIN COVEY CO.
d/b/a CARLETON SHEETS,

Defendant.

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ATTORNEY GENERAL
OF INDIANA



DEFAULT JUDGMENT

This cause having come before the Court on the motion of the Plaintiff, State of Indiana, for a Default Judgment against the Defendant, Franklin Covey Co. d/b/a Carleton Sheets, and the Court, having read the same and being duly advised in the premises, now finds:

1. The Court has subject matter jurisdiction and personal jurisdiction over the Defendant.
2. Defendant, Franklin Covey Co. d/b/a Carleton Sheets, was duly served with a copy of the complaint and summons pursuant to Trial Rule 4.6 of the Indiana Rules of Procedure on March 20, 2000.
3. The Defendant has failed to appear, answer, or otherwise respond to the Plaintiff's complaint

THEREFORE IT IS ORDERED, ADJUDGED AND DECREED that judgment is GRANTED in favor of the Plaintiff, State of Indiana, and against the Defendant, Franklin Covey Co. d/b/a Carleton Sheets.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to Ind. Code §24-5-8-18 and Ind. Code §24-5-0.5-4(c)(1), the Defendant, Franklin Covey Co. d/b/a Carleton Sheets, their officers, agents, representatives, employees, successors, and assigns are permanently enjoined from engaging in the following conduct in violation of Ind. Code §24-5-8-1 *et seq.* and Ind. Code §24-5-0.5-1 *et seq.* For purposes of this injunction, the term "business opportunity" shall include the presentation of any real estate seminars where the Defendant sells or offers to sell any goods or services to Indiana consumers where the consumers must make an initial payment, as defined by Ind. Code § 24-5-8-1, of more than Five Hundred Dollars (\$500.00).

- a. in the course of entering a business opportunity contract, failing to provide Indiana investors with the disclosures required by Ind. Code §24-5-8-2 at least seventy-two (72) hours before the earlier of the investors' execution of a business opportunity contract with the Defendant or the receipt of any consideration by the Defendant;
- b. failing to obtain a surety bond in the amount of at least twenty (20) times the initial payment required for the business opportunity, but not less than seventy-five thousand dollars (\$75,000.00), in favor of the State of Indiana for the use and benefit of Indiana investors prior to offering to sell its business opportunity to Indiana investors;
- c. failing to file a copy of the disclosure statement and surety bond and to pay the filing fee of fifty dollars (\$50.00) required by Indiana law with the Consumer Protection Division of the Office of the Attorney General prior to

placing any advertisement or making any representation to any Indiana investor about said business opportunity;

d. in the course of entering a business opportunity contract, failing to include the requirements of Ind. Code § 24-5-8-6, including but not limited to, including a thirty (30) day cancellation provision in its business opportunity contracts with Indiana investors which grants the investor the right to cancel the contract by mailing notice to the Defendant by midnight of the thirtieth (30th) day after the contract is entered into.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that judgment is entered for the Plaintiff, State of Indiana, and against the Defendant, Franklin Covey Co. d/b/a Carleton Sheets, as follows:

a. Costs pursuant to Ind. Code §24-5-0.5-4(c)(3), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action in the amount of one thousand three hundred and twenty-five Dollars (\$1,325.00).

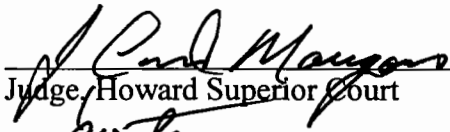
b. Civil penalties pursuant to Ind. Code §24-5-8-20 and Ind. Code §24-5-0.5-4(g) for the Defendant's knowing violations of the Deceptive Consumer Sales Act, in the amount of five hundred dollars (\$500.00) per violation, for a total of two thousand dollars (\$2000.00), payable to the State of Indiana; and

c. All other just and proper relief.

For a total monetary judgment in the amount of three thousand three hundred and twenty-five dollars (\$3,325.00).

All of which is ORDERED, ADJUDGED AND DECREED this 28th day of

July, 2000.


Judge, Howard Superior Court
pro temp

Distribution:

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